



General Assembly

January Session, 2009

Raised Bill No. 766

LCO No. 2628

* ____SB00766HED__021909__ *

Referred to Committee on Higher Education and Employment
Advancement

Introduced by:
(HED)

***AN ACT CONCERNING LETTERS OF CREDIT FILED BY PRIVATE
OCCUPATIONAL SCHOOLS.***

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. Subsection (d) of section 10a-22c of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2009*):

4 (d) No certificate to operate a new private occupational school shall
5 be issued by the commissioner pursuant to section 10a-22d until such
6 private occupational school seeking authorization files with the
7 commissioner an irrevocable letter of credit issued by a bank with its
8 main office or branch located within this state in the penal amount of
9 [twenty] forty thousand dollars guaranteeing the payments required of
10 the school to the private occupational school student protection
11 account in accordance with the provisions of section 10a-22u. The letter
12 of credit shall be payable to the private occupational school student
13 protection account in the event that such school fails to make
14 payments to the account as provided in subsection (a) of section 10a-
15 22u or in the event the state takes action to reimburse the account for a

16 tuition refund paid to a student pursuant to the provisions of section
17 10a-22v, provided the amount of the letter of credit to be paid into the
18 private occupational school student protection account shall not
19 exceed the amounts owed to the account. The letter of credit required
20 by this subsection shall be released [~~eight~~] twelve years after the date
21 of initial approval, provided evidence of fiscal soundness has been
22 verified.

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| This act shall take effect as follows and shall amend the following sections: | | |
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| Section 1 | <i>July 1, 2009</i> | 10a-22c(d) |
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HED *Joint Favorable*